

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 352 - SB 1698

March 24, 2011

SUMMARY OF BILL: Authorizes law enforcement agencies to impound a vehicle when the driver fails to provide evidence of financial responsibility. Requires a law enforcement agency to notify the vehicle's owner and all lienholders of record by registered mail within two days of the right to reclaim the vehicle. Requires publication in a newspaper of general circulation when no response is made to the mailed notice. Establishes a procedure for the return of the vehicle to the owner upon satisfactory proof of financial responsibility and payment of all towing, storage, and other fees. Places additional verification requirements on the company impounding the vehicle.

ESTIMATED FISCAL IMPACT:

Increase Local Revenue – Not Significant/Permissive
Increase Local Expenditures – \$96,800/Permissive

Assumptions:

- According to the Department of Safety, there were 32,757 convictions in 2010 for failure to furnish proof of financial responsibility.
- The current cost to send a certified letter with return receipt is \$2.80 per item.
- The number of vehicles impounded by local law enforcement agencies as a result of financial responsibility violations is unknown but estimated to equal the number of convictions each year.
- There will be approximately 32,800 convictions in FY11-12 resulting in a permissive increase to local expenditures of \$91,840 (32,800 x \$2.80).
- The number of owners that will fail to respond to notices by mail is unknown but estimated to be one percent (or 328). The cost to local governments to post details of impounded vehicles in the newspaper of general circulation is estimated to be \$15 per posting resulting in a permissive increase to local expenditures of \$4,920 (328 x \$15).
- The cost to tow and store impounded vehicles will be borne by the owners of such vehicles.
- Vehicles not claimed will be sold at auction. Revenue from the sale of impounded vehicles will be designated to a special fund to pay the towing and storage costs of the vehicle resulting in a not significant increase to local revenue.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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